

BEFORE THE
ILLINOIS COMMERCE COMMISSION

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CHIEF CLERK'S OFFICE

In the Matter of)

BarTel Communications, Inc.)

Application for a certificate of local
authority to operate as a reseller of
telecommunications services in all
areas in the State of Illinois.)

Docket No. 02-0063

PREFILED TESTIMONY OF J. BART LOVETT

1 Q. Please state your name and business address.

2 A. My name is J. Bart Lovett. My business address is BarTel Communications, Inc.,
3 333 Leffingwell, Suite 101, St. Louis, MO 63122.

4 Q. By whom are you employed and in what capacity?

5 A. I am the owner of On-Point Consulting, LLC. I provide exclusive services to
6 BarTel Communications, Inc. (BTC) as Chief Operating Officer.

7 Q. Please give a brief description of your job responsibilities and your background
8 and experience.

9 A. For the past four years, I have been the Chief Operating Officer of BTC. I am
10 responsible for the day-to-day operations of the company, including the
11 supervision of all financial and accounting matters, marketing, customer service
12 and regulatory issues. Prior to joining BTC, I worked for Southwestern Bell
13 Telephone Company (SWB) for 22 years in various management positions,

primarily in the areas of marketing, finance and network. I hold a Bachelor of

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I.C.C. DOCKET NO. 02 0063

App Exhibit No. 1

Witness

3/1/02 Reporter JL

1 Arts degree from Kansas University (1976) and a Masters of Business
2 Administration degree from Washington University (1992). My further
3 experience and qualifications are listed in the resume attached to the Application
4 of BTC as Appendix H.

5 Q. What is the purpose of your testimony?

6 A. The purpose of my testimony is to provide evidence regarding the financial,
7 technical and managerial abilities of BTC to provide telecommunications services
8 in Illinois and to describe the services BTC proposes to offer.

9 Q. Has BTC registered to do business in Illinois?

10 A. Yes. BTC registered with the office of the Illinois Secretary of State on April 28,
11 1999.

12 Q. Please describe the general structure of the company?

13 A. BTC was formed December 10, 1997 as a Kansas corporation. BTC is currently
14 certificated by the appropriate state regulatory authorities and conducting business
15 as a Competitive Local Exchange Carrier (CLEC) in Arkansas, Kansas, Missouri
16 and Oklahoma.

17 Q. Please describe BTC's services and how the company intends to provide them.

18 A. BTC resells local exchange service provided by the underlying Incumbent Local
19 Exchange Carrier (ILEC), including voice-grade services and enhanced service
20 offerings, including Call Forwarding, Caller ID, Call Waiting, 3-Way Calling,
21 Unpublished Number, Speed Dial, Call Return and Call Trace. BTC offers
22 service on a pre-paid basis only.
23

1 BTC maintains a customer service center at 333 Leffingwell, Suite 101, St. Louis,
2 MO 63122. BTC's regular office hours are from 8:00 a.m. to 5:00 p.m., Monday
3 through Friday. Customers wanting to buy or add services "after hours" can
4 contact BTC via toll-free number 24 hours per day, seven days per week.

5 Likewise, customers needing repair service can contact BTC via toll-free
6 number 24 hours per day, seven days per week. BTC personnel are "on call" after
7 regular business hours to respond to service calls.

8
9 BTC accepts payments by mail or by credit cards, debit cards, wire transfers,
10 electronic funds transfers, cashiers's checks, electronic checks, money orders and
11 in cash at any Western Union or MoneyGram office or other BTC authorized
12 agent.

13 Q. Has BTC ever been denied certification by any state or ever had its certification
14 revoked?

15 A. No.

16 Q. Does BTC have sufficient financial ability to provide resale telecommunications
17 services?

18 A. BTC has ample financial resources to operate as a telecommunications reseller.
19 In support of its financial ability to provide service, BTC has submitted its Income
20 Statement and Balance Sheet for the 12 months ending November 31, 2001 as
21 Appendix I to BTC's application herein. With respect to Illinois, minimal capital
22 investment is required from BTC for entering the Illinois market. Costs are
23 limited to cost of certification and initial marketing. Additional costs incurred by

1 BTC for Illinois customers will be incremental costs assessed by the underlying
2 ILEC for switching and transporting calls. These costs will be directly recovered
3 in the rates charged to BTC's customers.

4 Q. Does BTC have sufficient technical and managerial ability to provide resale
5 telecommunications services in Illinois?

6 A. Yes. BTC has been successfully offering substantially identical
7 telecommunications services in Arkansas, Kansas, Missouri and Oklahoma for
8 several years and has demonstrated its technical and managerial ability to provide
9 those services. In addition to myself, principal officers in the company include
10 Richard W. Hird, an attorney of 20 years and former Assistant General Counsel to
11 the Kansas Corporation Commission; and Thomas R. Hird, a former regulatory
12 consultant with significant managerial experience.

13 Q. Would you briefly describe BTC's tariff?

14 A. Yes. BTC's tariff contains the rules, regulations and rates for services offered by
15 the company. BTC's proposed tariff fully describes each of the products offered
16 by the company and clearly states the rates associated with each product.

17 Q. Have you requested any waivers from the Commission's rules?

18 A. Yes. We have requested four waivers:

19 (1) BTC seeks a waiver of Part 710, Uniform System of Accounts for
20 Telecommunications Carriers. BTC is a small, non-facilities based reseller of
21 telephone service and compliance with the Uniform System of Accounts would be
22 unduly burdensome for BTC. More importantly, BTC maintains its records in a

1 fashion that would enable the Commission to completely analyze BTC's business,
2 should the Commission be so inclined.

3
4 (2) BTC seeks a variance of that portion of Part 735 requiring billings to be sent
5 in envelopes with return envelopes. BTC's services are pre-paid, so there is no
6 true "billing" for services rendered. When a customer makes a payment, BTC
7 sends the customer a "bill" clearly stating the date through which service has been
8 paid, the date that another payment must be made to extend service, the amount of
9 the payment, and the allocation of the payment to the cost of the line, enhanced
10 services and taxes and fees. In the four states in which BTC is currently
11 operating, BTC sends its "bill" on a standard post card. If a payment is not
12 received from the customer to extend service, BTC calls the customer prior to the
13 expiration of service and reminds the customer to make a payment if the customer
14 desires to continue service. BTC accepts many methods of payment that are
15 equally or more convenient than the use of a return envelope. Payments are
16 accepted by phone via credit card, debit card, wire transfer, electronic funds
17 transfer, electronic check, or in cash at any of BTC's authorized agents, including
18 Western Union and MoneyGram. The location of the nearest authorized agent
19 can be obtained 24 hours per day, seven days per week, via BTC's toll free
20 customer service number. BTC respectfully suggests that, due to the unique
21 nature of BTC's services, the adequacy of the company's current billing
22 procedures and the ease of payment available through BTC's payment options,

1 a waiver of the requirement to send billings in an envelope with a return envelope
2 would be reasonable.

3
4 (3) BTC seeks a waiver of Section 735.180, Directories. The
5 interconnection/resale agreements between BTC and the underlying ILECs
6 generally require the ILEC to provide directory assistance listing services as part
7 of the resold service.

8
9 (4) BTC has requested a waiver of 83 Ill. Adm. Code, Part 250, allowing BTC to
10 maintain its books and records at its principal offices at 333 Leffingwell, Suite
11 101, St. Louis, MO 63122. BTC understands that if the waiver is granted, it
12 would be responsible for the expenses of the Commission Staff traveling to
13 BTC's offices to inspect the records, should that become necessary.

14 Q. How will the people of Illinois benefit from BTC's services and presence in
15 Illinois?

16 A. Certification of BTC will enhance telecommunications competition in Illinois.
17 Competition encourages technological innovation and efficient use of resources.
18 Increased competition has proven to benefit consumers by providing a wide
19 variety of services and processes from which consumers can choose. Certification
20 of BTC will provide Illinois consumers with a wider choice of services and
21 providers from which to select their local service provider.

22 Q. Does this conclude your testimony?

23 A. Yes.